

**JACKSON PARISH CLERK OF COURT
JONESBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/29/10

Jackson Parish Clerk of Court
Jonesboro, Louisiana

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Jackson Parish Clerk of Court

P. O. Box 730
Jonesboro, LA 71251-0930

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2009

The Management's Discussion and Analysis of the Jackson Parish Clerk of Court's financial performance presents a narrative overview and analysis of the Clerk of Court's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Jackson Parish Clerk of Court's financial statements, which begin on page 11.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Clerk of Court as a whole and present a longer-term view of the Clerk of Court's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- 1) The Jackson Parish Clerk of Court had cash and investments of \$702,408 at June 30, 2009, which represents a decrease of \$67,640 from the previous year.
- 2) The Jackson Parish Clerk of Court had accounts receivable of \$16,408 at June 30, 2009, which represents a increase of \$4,273 from the prior year end.
- 3) The Jackson Parish Clerk of Court had accounts payable and accruals of \$8,269 at June 30, 2009, which represents an increase of \$2,030 from prior year end.
- 4) The Jackson Parish Clerk of Court had total revenues of \$554,807 for the year ended June 30, 2009, which represents a decrease of \$18,677 from the prior year.

Overview of the Financial Statements

The following illustrates the minimum requirements for the Jackson Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*.

Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information (Other than MD&A)

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets (on page 11) and the Statement of Activities (on page 12) provide information about the activities of the Jackson Parish Clerk of Court as a whole and present a longer-term view of the Clerk's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Clerk's net assets and changes in them. You can think of the Clerk's net assets, the difference between assets and liabilities, as one way to measure the Clerk's financial health, or financial position. Over time, increases or decreases in the Clerk's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 14. All of the Clerk's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's activities as well as what remains for future spending.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	<u>2009</u>	<u>2008</u>
ASSETS:		
Current and Other Assets	\$718,816	\$782,183
Capital Assets, Net	<u>30,240</u>	<u>42,346</u>
Total Assets	<u>\$749,056</u>	<u>\$824,529</u>
LIABILITIES:		
Other Liabilities	\$ 8,269	\$ 6,239
Compensated Absences	<u>18,536</u>	<u>14,717</u>
Total Liabilities	<u>\$ 26,805</u>	<u>\$ 20,956</u>
NET ASSETS:		
Invested in Capital Assets	\$ 30,240	\$ 42,347
Unrestricted	<u>692,011</u>	<u>761,226</u>
Total Net Assets	<u>\$722,251</u>	<u>\$803,573</u>

Net assets of the Jackson Parish Clerk of Court decreased by \$81,322 from the previous fiscal year.

Summary of Statement of Activities

	<u>2009</u>	<u>2008</u>
REVENUES:		
Charges for Services	\$508,330	\$512,882
General Revenues	<u>46,477</u>	<u>60,602</u>
Total Revenues	\$554,807	\$573,484
EXPENDITURES:		
Expenses	<u>636,129</u>	<u>653,606</u>
Change in Net Assets	\$ <u>(81,322)</u>	\$ <u>(80,122)</u>

Capital Assets and Debt AdministrationCapital Assets

At June 30, 2009, the Jackson Parish Clerk of Court had \$30,240, net of depreciation, invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and deductions) of \$12,107 from the previous year.

Capital Assets at Year End (Net of Depreciation)		
	<u>2009</u>	<u>2008</u>
Furniture, Fixtures and Equipment	\$ 251,964	\$ 248,006
Accumulated Depreciation	<u>(221,724)</u>	<u>(205,659)</u>
Total	\$ <u>30,240</u>	\$ <u>42,347</u>

Debt

The Jackson Parish Clerk of Court had \$18,536 in compensated absences outstanding at year end compared to \$14,717 at the previous year end, an increase of \$3,819 as shown in the table below.

Outstanding Debt at Year End		
	<u>2009</u>	<u>2008</u>
Compensated Absences	<u>\$18,536</u>	<u>\$14,717</u>

Economic Factors and Next Year's Budget

The Jackson Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Fees
2. Interest income
3. Miscellaneous revenues
4. Personnel costs
5. Other costs

The Jackson Parish Clerk of Court does not expect any significant changes in next year's results as compared to the current year.

Contacting the Jackson Parish Clerk of Court

This financial report is designed to provide our citizens and creditors with a general overview of the Jackson Parish Clerk of Court's finances and to show the Clerk of Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Jackson Parish Clerk of Court at P. O. Box 730, Jonesboro, LA 71251-0930.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

Honorable Ann B. Walsworth
Jackson Parish Clerk of Court
P. O. Box 730
Jonesboro, Louisiana 71251-0930

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Jackson Parish Clerk of Court, Jonesboro, Louisiana, a component unit of the Jackson Parish Police Jury, as of and for the year ended June 30, 2009, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Jackson Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and fiduciary funds of the Jackson Parish Clerk of Court as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2009, on our consideration of the Jackson Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 1 through 6 and 31 through 32, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 6, 2009

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Clerk of Court
Statement of Net Assets
June 30, 2009

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$611,459
Investments	90,949
Accounts Receivable	<u>16,408</u>
Total Current Assets	\$718,816
Noncurrent Assets-	
Capital Assets, Net	<u>30,240</u>
Total Assets	<u>\$749,056</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 6,675
Payroll & Related Liabilities	1,594
Noncurrent Liabilities-	
Compensated Absences	<u>18,536</u>
Total Liabilities	<u>\$ 26,805</u>
NET ASSETS:	
Invested in Capital Assets	\$ 30,240
Unrestricted	<u>692,011</u>
Total Net Assets	<u>\$722,251</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Statement of Activities
June 30, 2009

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$636,129</u>	<u>\$508,330</u>	<u>\$19,810</u>	<u>\$0</u>	<u>\$(107,989)</u>
General Revenues:					
					\$ 22,436
					<u>4,231</u>
					<u>\$ 26,667</u>
					\$ (81,322)
					<u>803,573</u>
					<u>\$ 722,251</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Jackson Parish Clerk of Court
Balance Sheet-Governmental Fund
June 30, 2009

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$611,459
Investments	90,949
Accounts Receivable	<u>16,408</u>
Total Assets	<u>\$718,816</u>
LIABILITIES:	
Accounts Payable	\$ 6,675
Payroll & Related Liabilities	<u>1,594</u>
Total Liabilities	\$ 8,269
FUND BALANCE:	
Unreserved	<u>710,547</u>
Total Liabilities & Fund Balance	<u>\$718,816</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
June 30, 2009

Total Fund Balance for the Governmental Fund at June 30, 2009	\$710,547
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Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Furniture, Fixtures, and Equipment	\$ 251,964	
Less, Accumulated Depreciation	<u>(221,724)</u>	30,240

Long-term liabilities, including compensated absences
are not due and payable in the current period and
therefore are not reported in the fund liabilities:

Compensated Absences	<u>(18,536)</u>
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Total Net Assets of Governmental Activities at June 30, 2009	<u>\$722,251</u>
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The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2009

	General Fund
REVENUES:	
Licenses & Permits	\$ 3,465
Charges for Services	504,865
Miscellaneous-	
Supplemental Compensation Fund	19,810
Interest	22,436
Other	<u>4,231</u>
Total Revenues	<u>\$554,807</u>
EXPENDITURES:	
Current-	
Judicial-	
Personnel Services	\$482,364
Operating Services	74,312
Operating Supplies	34,613
Other Charges	24,956
Capital Expenditures	<u>3,958</u>
Total Expenditures	<u>\$620,203</u>
(Deficiency) of Revenues over Expenditures	\$ (65,396)
Fund Balance-Beginning of Year	<u>775,943</u>
Fund Balance-End of Year	<u>\$710,547</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2009

Total Net Change in Fund Balance at June 30, 2009, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(65,396)
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The Change in Net Assets
reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report capital outlays as
expenditures. However, in the Statement of
Activities the cost of those assets is allocated
over their estimated useful lives and reported
as depreciation expense. These amounts were-

Depreciation Expense	(16,065)
Capital Expenditures	3,958

Some expenses reported in the Statement of Activities,
such as compensated absences, do not require the use
of current financial resources and therefore are not
reported as expenditures in governmental funds.
Increase in compensated absences was

(3,819)

Total Changes in Net Assets at June 30, 2009, per Statement of Activities	<u>\$(81,322)</u>
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The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Judicial Expense <u>Fund</u>	Court Reporter <u>Fund</u>	<u>Total</u>
ASSETS:					
Cash & Cash Equivalents	<u>\$157,213</u>	<u>\$553,932</u>	<u>\$555</u>	<u>\$494</u>	<u>\$712,194</u>
LIABILITIES:					
Due to Others	<u>\$157,213</u>	<u>\$553,932</u>	<u>\$555</u>	<u>\$494</u>	<u>\$712,194</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Clerk of Court
Statement of Changes in Fiduciary Net Assets
for the Year Ended June 30, 2009

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Judicial Expense <u>Fund</u>	Court Reporter <u>Fund</u>	<u>Total</u>
ADDITIONS:					
Suits and Successions	\$ 263,674	\$876,216	\$8,910	\$10,430	\$1,159,230
Interest Income	<u>0</u>	<u>3,721</u>	<u>0</u>	<u>0</u>	<u>3,721</u>
Total Additions	<u>\$ 263,674</u>	<u>\$879,937</u>	<u>\$8,910</u>	<u>\$10,430</u>	<u>\$1,162,951</u>
DEDUCTIONS:					
Clerk's Costs (paid to general fund)	\$ 137,820	\$ 0	\$ 880	\$ 1,027	\$ 139,727
Settlements to Litigants	175,530	877,534	0	0	1,053,064
Sheriff's Fees	30,177	0	0	0	30,177
Court Reporters	10,800	0	0	0	10,800
Attorneys, Curators, Notary	5,215	0	0	0	5,215
Judges' Supplemental Fund	12,555	0	0	0	12,555
Judicial Supplemental Fund	9,225	0	7,925	9,292	26,442
Bond Refund	2,500	0	0	0	2,500
Other Deductions	<u>6,631</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,631</u>
Total Deductions	<u>\$ 390,453</u>	<u>\$877,534</u>	<u>\$8,805</u>	<u>\$10,319</u>	<u>\$1,287,111</u>
Change in Liabilities	\$(126,779)	\$ 2,403	\$ 105	\$ 111	\$ (124,160)
Liabilities-Beginning	<u>283,992</u>	<u>551,529</u>	<u>450</u>	<u>383</u>	<u>836,354</u>
Liabilities-Ending	<u>\$ 157,213</u>	<u>\$553,932</u>	<u>\$ 555</u>	<u>\$ 494</u>	<u>\$ 712,194</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Jackson Parish Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the Jackson Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Jackson Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Jackson Parish Police Jury.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Jackson Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Jackson Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING-

The Jackson Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

Governmental Funds

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Jackson Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund.

Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund, Judicial Expense Fund, the Registry of Court Fund and the Court Reporter Fund account for assets held by the clerk as an agent for litigants held pending court action or for legally required payments to others. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all of the financial activities of the Jackson Parish Clerk of Court, except for the fiduciary funds which are reported separately.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and the agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Jackson Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits are recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The Jackson Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk's policy is to include time deposits and certificates of deposit in cash equivalents.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the Jackson Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. RECEIVABLES-

All receivables are reported at their gross value. The Clerk expects to collect all balances due and no provision for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Jackson Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized. The Clerk maintains a threshold of \$500 or more for capitalization of assets.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

J. COMPENSATED ABSENCES-

Full-time employees of the Jackson Parish Clerk of Court earn from one to four weeks of vacation leave each year, depending on length of service and ten days of sick leave. Unused vacation leave expires at December 31. Sick leave is accumulative up to thirty days. At June 30, 2009, a total of \$18,536 in accrued leave remained unpaid. Upon termination, employees are paid for accumulated sick leave.

K. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups such as credits, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

2. Cash, Cash Equivalents and Investments and Related Credit Risk:

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

At June 30, 2009, the Clerk of Court had cash and cash equivalents (book balances) totaling \$1,323,653 (includes \$150 petty cash) as follows:

Petty Cash	\$ 150
Time Deposits	260,000
Interest-bearing Demand Deposits	1,062,453
Noninterest-bearing Demand Deposits	<u>1,050</u>
Total	<u>\$1,323,653</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2009, the Clerk of Court has \$1,363,582 in deposits (collected bank balances). These deposits are secured from risk by \$625,000 of federal deposit insurance and \$738,582 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

3. Investments:

Investments held at June 30, 2009 include \$90,949 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2009, is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701, enacted LSA-R.S. 33:2955 (A) (1) (h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

4. Accounts Receivable:

The following is a summary of receivables at June 30, 2009:

<u>Class of Receivable</u>	<u>Total</u>
Charges for Services	<u>\$16,408</u>

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2009, is as follows:

	<u>Balance</u> <u>06-30-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-09</u>
Furniture fixtures, and equipment	\$ 248,006	\$ 3,958	\$0	\$ 251,964
Less, accumulated depreciation	(205,659)	(16,065)	0	(221,724)
Total Capital Assets, net	<u>\$ 42,347</u>	<u>\$(12,107)</u>	<u>\$0</u>	<u>\$ 30,240</u>

Depreciation expense of \$16,065 was charged to the judicial function.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

6. Accounts Payable and Accruals:

The following is a summary of accounts payable at June 30, 2009:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$6,675
Payroll & Related Liabilities	<u>1,594</u>
Total	<u>\$8,269</u>

7. Pension Plan:

Plan Description. Substantially all employees of the Jackson Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Jackson Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of a plan member and the Jackson Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Jackson Parish Clerk of Court's contribution to the System for the years ending June 30, 2009, 2008, and 2007, were \$63,830, \$66,174 and \$45,700, respectively, equal to the required contribution for each year. The Jackson Parish Clerk of Court has elected under state statute to pay both the employer and the employee contributions to the retirement system. Due to this election, the Clerk contributed an additional \$26,330 on behalf of the employees for the year.

Jackson Parish Clerk of Court
Notes to Financial Statements
June 30, 2009

8. Operating Lease:

On June 28, 2008, the Clerk entered into an automobile lease with Toyota Financial Services. As of June 30, 2009, this lease was cancelled.

9. Risk Management:

The Jackson Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

10. Litigation and Claims:

In December 2005, a class action suit was filed against the Louisiana Clerk of Court Association and all of the District Clerks of Court in the State of Louisiana. The Clerks of Court hired one attorney to represent all of the defendants. Although the outcome of this lawsuit is not presently determinable, management believes resolution of this matter would not create a liability in excess of insurance coverage, and therefore would not have an adverse effect on the financial condition of the Jackson Parish Clerk of Court.

11. Expenditures of the Clerk of Court Paid by the Parish Police Jury:

Certain expenses of the Jackson Parish Clerk of Court's office are paid by the Jackson Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

12. Deferred Compensation Plan:

All of the employees of the Jackson Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$8,000 a year) to the plan on a pre-tax basis. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited to an account in the employee's name. The Jackson Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. On March 30, 2009, the Clerk discontinued matching the employee's contribution. During the year ended June 30, 2009, the Clerk's matching funds totaled \$18,929.

13. Post-Employment Benefits:

At June 30, 2009, the Clerk is not providing post-employment benefits to any retired employees.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Clerk of Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Licenses & Permits-				
Marriage Licenses	\$ 3,675	\$ 3,100	\$ 3,465	\$ 365
Charges for Services-				
Birth Certificates & Cards	12,000	10,800	10,853	53
Certified Copies	89,000	94,000	101,206	7,206
Court Attendance	2,600	2,400	2,400	0
Court Reporter	1,100	950	1,027	77
Criminal Fees	15,000	17,000	17,059	59
Elections	15,000	11,800	11,769	(31)
Judge's Expense	1,000	800	823	23
Mortgage Certificates	10,000	9,000	10,696	1,696
Non-support	26,000	26,000	28,390	2,390
Notarial Fees	1,000	800	848	48
Passport Fees	3,000	1,500	1,734	234
Recording Fees	200,000	150,000	158,359	8,359
Web Inquiry	17,500	20,000	20,797	797
Suits & Successions	130,000	134,000	134,649	649
UCC	5,500	4,400	4,255	(145)
Miscellaneous-				
Clerk's Supplemental Fund	19,000	19,800	19,810	10
Interest	38,000	20,500	22,436	1,936
Other	<u>1,500</u>	<u>4,200</u>	<u>4,231</u>	<u>31</u>
Total Revenues	<u>\$590,875</u>	<u>\$ 531,050</u>	<u>\$554,807</u>	<u>\$ 23,757</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Services-				
Insurance	\$ 58,000	\$ 58,000	\$ 48,862	\$ 9,138
Payroll Taxes	4,500	4,500	4,261	239
Retirement	80,000	80,000	82,758	(2,758)
Salaries	351,000	351,000	346,483	4,517

Continued next page.

Jackson Parish Clerk of Court
General Fund
Budgetary Comparison Schedule-continued
For the Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Operating Services-				
Advertising	\$ 500	\$ 500	\$ 20	\$ 480
Contracts & Leases	10,000	10,000	8,022	1,978
Maintenance & Support	31,500	31,500	30,148	1,352
Dues & Subscriptions	2,000	2,000	3,649	(1,649)
Insurance	7,000	7,000	7,732	(732)
Legal & Accounting	13,000	13,000	11,859	1,141
Security & Records Storage	3,500	3,500	2,818	682
Sheriff Fees	2,000	2,000	3,306	(1,306)
Telephone	3,500	3,500	3,733	(233)
UCC	5,000	5,000	3,025	1,975
Operating Supplies-				
Birth Certificates	9,000	9,000	7,864	1,136
Auto & Fuel	1,000	1,000	503	497
Elections	10,000	10,000	5,703	4,297
Uniforms	5,000	5,000	3,099	1,901
Marriage Licenses	1,700	1,700	1,496	204
Office Supplies	1,100	1,100	12,162	(11,062)
Postage	6,200	6,200	3,786	2,414
Other Charges-				
Clerk's Supplemental Fund	8,700	8,700	8,281	419
Interest	50	50	24	26
Rent	7,000	7,000	9,284	(2,284)
Travel/Seminars	6,000	6,000	7,367	(1,367)
Capital Expenditures	<u>10,000</u>	<u>10,000</u>	<u>3,958</u>	<u>6,042</u>
Total Expenditures	<u>\$637,250</u>	<u>\$ 637,250</u>	<u>\$620,203</u>	<u>\$ 17,047</u>
(Deficiency) of Revenues over Expenditures	\$ (46,375)	\$(106,200)	\$ (65,396)	\$ 40,804
Fund Balance-Beginning of Year	<u>775,943</u>	<u>775,943</u>	<u>775,943</u>	<u>0</u>
Fund Balance-End of Year	<u>\$729,568</u>	<u>\$ 669,743</u>	<u>\$710,547</u>	<u>\$ 40,804</u>

See accountant's report.

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Ann B. Walsworth
Jackson Parish Clerk of Court
P. O. Box 730
Jonesboro, Louisiana 71251-0930

We have audited the financial statements of the governmental activities, major fund and fiduciary funds of the Jackson Parish Clerk of Court, Jonesboro, Louisiana, as of and for the year ended June 30 2009, which collectively comprise the Jackson Parish Clerk of Court's, a component unit of the Jackson Parish Police Jury, basic financial statements and have issued our report thereon dated November 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control system that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 6, 2009
Natchitoches, Louisiana

Jackson Parish Clerk of Court
Schedule of Findings & Questioned Costs
Year Ended June 30, 2009

I. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jackson Parish Clerk of Court.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Jackson Parish Clerk of Court were disclosed during the audit.

II. Financial Statements Audit

No findings.

III. Prior Year Findings

No findings.